

Finance Report, Financial Year 2018/19

August 2018

Executive Summary

The previously reported surplus of £334k has been absorbed into the main budget, creating more resilience within our infrastructure and those areas that pose the most likely risk of overspend, namely travel, legal and communications due to the increase in resource required to cover Priority Operations. This has allowed the expenditure to come into line with the re-forecasted budget and within the 10% tolerance limits. This will be closely monitored over the coming months to ensure that these areas remain within the expected spend levels.

Income

Income to the end of August is £15m, £506k (or 3.5%) over our re-forecasted income of £14.5m to the end of August. We are still expecting an overall DP income of just over £38m which represents an overall 16% increase in DP fee payers for the full year however this is likely to be reviewed in line with the Customer Contact team's predictions in register growth once the DP fee exemptions are finalised with DCMS. Work is underway to forecast any potential impact to funding and ways to mitigate any associated risk.

Organisations paying by Direct Debit and therefore qualifying for a £5 discount of fees has increased slightly to an average of 43% (42% July). The overall trajectory is slowly increasing over time which supports the assumption of 50% by the end of the financial year.

Expenditure

Areas of expenditure that have exceeded our 10% tolerance levels are within IT and Projects. Since projects are largely time dependant and each project has been assessed as likely to come in on budget, this is not considered to be an area of concern. IT costs have underspent mainly due to a contract dispute as set out last month. This amount has now been confirmed and the budget and spend to date will be absorbed into the budget line within September's report.

MANAGEMENT REPORT
**For the Five Months Ending 31
August 2018**

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
FOI GRANT IN AID	1,562,500	1,562,500	-	0.0%	3,750,000	3,750,000
NIS GRANT IN AID	-	-	-	0.0%	500,000	-
eIDAS	-	-	-	0.0%	46,000	45,000
DP FEE INCOME	14,507,591	15,013,370	505,779	3.5%	38,014,769	21,299,977
IPA INCOME	82,500	82,500	-	0.0%	382,500	330,000
TPS MANAGEMENT INCOME	3,533	3,533	-	0.0%	11,780	-
BANK INTEREST	-	199	199	0.0%	-	286
TOTAL INCOME	16,156,124	16,662,102	505,978	3.1%	42,705,049	25,425,263
OFFICE COSTS	848,165	797,759	50,405	5.9%	2,859,377	1,413,527
STAFF COSTS	10,350,513	10,382,245	31,732	-0.3%	27,270,276	18,526,219
TRAINING AND RECRUITMENT	576,872	591,652	14,780	-2.6%	1,264,178	679,949
IT COSTS	1,238,499	1,070,376	168,125	13.6%	3,800,000	2,831,212
PROJECT SPEND	725,000	541,792	183,208	25.3%	1,250,000	1,218,303
COMMUNICATIONS	347,000	336,819	10,181	2.9%	789,000	319,654
FINANCIAL COSTS	60,792	60,656	136	0.2%	123,500	111,934
TRAVEL	275,567	263,979	11,588	4.2%	713,500	597,017
LEGAL, PROFESSIONAL & OTHER	1,390,950	1,383,293	7,657	0.6%	2,585,218	1,107,825
TOTAL COSTS	15,813,358	15,428,571	384,788	2.4%	40,655,049	26,805,640
CAPITAL SPEND	-	-	-	0.0%	650,000	747,322
OPERATING SURPLUS	342,766	1,233,531	890,765	259.9%	1,400,000	2,127,699
GIA PROGRAMME 1819 ADVANCE	-	420,000	420,000	0.0%	1,400,000	1,400,000
SURPLUS	-	77,234	813,531	1153.3%	-	727,699

Cash Flow

Cash flow is forecast as consistently high throughout the year and no issues are expected. See cash flow appendix for further detail.

DP Fee Income (attached graphical representation)

Month	2018/19 projected (revised July 2018)	2018/19 Actual	Variance to Budget	% Variance to Budget
April	1,901	1,901	0	0%
May	2,995	2,995	0	0%
June	3,583	3,583	0	0%
July	3,012	3,293	281	9%
August	3,016	3,214	225	7%
September	3,337	-		
October	3,469	-		
November	3,356	-		
December	2,234	-		
January	3,896	-		
February	3,463	-		
March	3,752	-		
Total	38,015	15,013	505	

The number of registrations has steadily increased from 513,687 at the end of March to 578,324 at the end of August, an overall increase of 64,637 or 12.6%. The income forecast projects a steady increase for the remainder of the year to an expected overall 16% increase in fee payers compared to 2017/18; 10% of which can be directly attributed to the introduction of GDPR.

Civil Monetary Penalties (CMPs)

Below is the summary of those debts we still consider recoverable from the previous year plus new penalties issued to August 2018.

Gross debts B/fwd from 2017-18	2,343,445
Issued penalties gross	2,214,607
Issued prompt payment discount	-304,200
Irrecoverable debts written off	-
Net	4,253,852
Receipts*	1,362,742
Balance	2,891,110

*Of this sum, £412,200 is due to be paid to the consolidated fund in November 2018.

Spending controls

The Cabinet Office controls help government organisations to reduce wasteful expenditure. Version 5 introduces new controls for commercial and also digital and technology expenditure.

The ICO is complying with the Cabinet Office Spending Controls Guidance v 5.0

<https://www.gov.uk/government/publications/cabinet-office-controls-version-5/cabinet-office-controls-policy-version-5>

Heather Dove
September 2018

MANAGEMENT REPORT

For the Five Months Ending 31 August 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
FOI GRANT IN AID	1,562,500	1,562,500	-	0.0%	3,750,000	3,750,000
NIS GRANT IN AID	-	-	-	0.0%	500,000	-
eIDAS	-	-	-	0.0%	46,000	45,000
DP FEE INCOME	14,507,591	15,013,370	505,779	3.5%	38,014,769	21,299,977
IPA INCOME	82,500	82,500	-	0.0%	382,500	330,000
TPS MANAGEMENT INCOME	3,533	3,533	-	0.0%	11,780	-
BANK INTEREST	-	199	199	0.0%	-	286
TOTAL INCOME	16,156,124	16,662,102	505,978	3.1%	42,705,049	25,425,262
RENT	344,463	338,051	6,412	1.9%	1,464,000	517,144
RATES & BUILDING INSURANCE	123,437	126,043	-	-2.1%	416,250	285,122
SERVICE CHARGES	35,921	39,046	-	-8.7%	167,002	54,125
CAR PARKING	10,600	9,284	1,316	12.4%	30,000	23,126
HEAT & LIGHT	52,900	50,079	2,821	5.3%	145,700	106,285
WATER	11,250	8,957	2,293	20.4%	27,000	14,692
CLEANING	46,042	46,736	-	-1.5%	110,500	85,226
SECURITY	23,542	27,753	-	-17.9%	56,500	62,921
WASTE	1,896	2,124	-	-12.0%	4,550	4,834
REPAIRS & MAINTENANCE	26,667	19,964	6,702	25.1%	62,000	64,558
KITCHEN	15,677	12,269	3,408	21.7%	37,625	31,726
REMOVALS	-	-	-	0.0%	-	379
FURNITURE	87,500	55,789	31,711	36.2%	210,000	228,617
GENERAL EQUIPMENT	-	685	685	0.0%	12,000	5,038
STATIONERY	31,063	28,245	2,818	9.1%	74,550	82,231
POSTAGE	25,667	24,166	1,501	5.8%	61,600	54,827
DOCUMENT DESTRUCTION	2,542	3,062	-	-20.5%	6,100	5,750
OTHER	9,000	6,876	2,124	23.6%	24,000	6,932
OFFICE COSTS CAPITALISED	-	-	-	0.0%	50,000	220,005
TOTAL OFFICE COSTS	848,165	797,759	50,405	5.9%	2,859,377	1,413,527

MANAGEMENT REPORT

For the Five Months Ending 31 August 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
SALARIES	7,966,879	7,494,613	472,266	5.9%	21,082,985	13,621,744
ALLOWANCE	2,250	2,220	30	1.3%	13,500	-
OVERTIME	112,000	128,889	- 16,889	-15.1%	266,000	176,064
PENSION	1,461,566	1,462,368	- 802	-0.1%	3,830,347	2,731,825
NATIONAL INSURANCE	772,923	772,914	9	0.0%	2,010,497	1,327,693
AGENCY STAFF	-	472,263	- 472,263	0.0%	-	507,926
INWARD SECONDMENT	12,000	26,080	- 14,080	-117.3%	12,000	108,884
NON EXEC BOARD MEMBER	22,895	22,898	- 3	0.0%	54,948	52,083
TOTAL STAFF COSTS	10,350,513	10,382,245	- 31,732	-0.3%	27,270,276	18,526,219
RECRUITMENT	349,667	353,432	- 3,765	-1.1%	760,000	288,209
RELOCATION EXPENSES	-	-	-	0.0%	-	4,459
HEALTH & SAFETY	18,750	22,796	- 4,046	-21.6%	45,000	60,464
APPRENTICESHIP LEVY	31,741	31,935	- 194	-0.6%	76,178	52,959
FURTHER EDUCATION	-	485	- 485	0.0%	15,000	2,445
ALL STAFF SKILLS DEVELOPMENT	140,048	140,032	15	0.0%	278,000	178,311
SEMINARS AND CONFERENCES	6,667	5,425	1,241	18.6%	30,000	16,602
MANAGEMENT DEVELOPMENT	30,000	29,224	776	2.6%	60,000	48,416
CSL E LEARNING	-	-	-	0.0%	-	720
CSL WORKSHOPS	-	-	-	0.0%	-	12,498
PROFESSIONAL QUALIFICATIONS	-	1,965	- 1,965	0.0%	-	13,397
INFORMATION TECHNOLOGY	-	6,357	- 6,357	0.0%	-	1,469
TOTAL TRAINING AND RECRUITMENT	576,872	591,652	- 14,780	-2.6%	1,264,178	679,949

MANAGEMENT REPORT

For the Five Months Ending 31 August 2018

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2017/18 £
HOSTING, WEB AND TELEPHONY	255,833	254,830	1,003	0.4%	790,000	576,487
APP & DESKTOP SUPPORT	221,834	219,137	2,697	1.2%	730,000	687,112
SOFTWARE LICENSING	282,500	282,323	177	0.1%	810,000	571,564
SECURITY CONTRACT	25,833	8,806	17,028	65.9%	80,000	21,857
NOTIFICATION PRINTING	100,000	67,949	32,051	32.1%	240,000	240,332
MANAGED PRINT	20,833	17,223	3,611	17.3%	80,000	47,360
CARD PROCESSING CHARGES	40,833	57,858 -	17,024	-41.7%	170,000	110,069
HARDWARE MAINTENANCE	40,833	37,682	3,151	7.7%	250,000	96,045
GOV SECURE INTERNET	115,833	-	115,833	100.0%	250,000	176,495
TELEPHONY CALLS & BROADBAND	134,167	124,568	9,598	7.2%	400,000	303,891
TOTAL IT COSTS	1,238,499	1,070,376	168,125	13.6%	3,800,000	2,831,212
ICE CRM DEVELOPMENT	-	161,265 -	161,265	0.0%	-	464,215
FINANCE SYSTEM	-	-	-	0.0%	-	11,455
DOCUMENT STORAGE SOLUTION	-	129,813 -	129,813	0.0%	-	151,119
INFRASTRUCTURE	725,000	22,902	702,098	96.8%	1,850,000	749,574
HARDWARE & SOFTWARE UPGRADES	-	44,875 -	44,875	0.0%	-	226,073
PRE-PROJECT INVESTIGATIONS	-	37 -	37	0.0%	-	14,582
NPS RESOURCE	-	147,886 -	147,886	0.0%	-	6,574
OTHER PROJECT WORK	-	35,014 -	35,014	0.0%	-	122,028
PROJECT WORK CAPITALISED	-	-	-	0.0% -	600,000 -	527,318
TOTAL PROJECT SPEND	725,000	541,792	183,208	25.3%	1,250,000	1,218,303

MANAGEMENT REPORT

For the Five Months Ending 31 August 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
CAMPAIGNS, MEDIA RELATIONS & PR	62,083	62,363	- 280	-0.5%	280,000	90,342
MARKETING CONSORTIUM INCOME	-	-	-	0.0%	-	42,401
MEDIA MONITORING	33,333	36,476	- 3,142	-9.4%	80,000	21,472
DESIGN & PRINT	55,000	54,999	1	0.0%	60,000	46,482
DISTRIBUTION	12,500	9,784	2,716	21.7%	30,000	38,938
SURVEYS	15,000	13,290	1,710	11.4%	60,000	41,672
CONFERENCES GENERAL	200,000	198,248	1,752	0.9%	310,000	134,825
CONFERENCE INCOME	- 50,000	- 51,968	1,968	-3.9%	100,000	- 41,164
ICON DEVELOPMENT	2,083	-	2,083	100.0%	5,000	-
STAFF EVENTS	5,750	3,412	2,338	40.7%	37,000	2,494
WEB MAINTENANCE	11,250	10,214	1,036	9.2%	27,000	26,995
TOTAL COMMUNICATIONS	347,000	336,819	10,181	2.9%	789,000	319,654
BANK CHARGES	15,625	16,387	- 762	-4.9%	37,500	38,917
EXTERNAL AUDIT	13,750	11,042	2,708	19.7%	33,000	30,000
INTERNAL AUDIT	31,417	33,227	- 1,810	-5.8%	53,000	42,087
BAD DEBT WRITE OFF	-	-	-	0.0%	-	930
TOTAL FINANCIAL COSTS	60,792	60,656	136	0.2%	123,500	111,934
CAR HIRE	4,583	1,782	2,802	61.1%	11,000	5,927
EPCS CARD REBATE	-	-	-	0.0%	-	1,406
TRAVEL HOSTING	-	665	- 665	0.0%	-	5,099
TRAVEL UK	219,550	215,334	4,216	1.9%	572,500	468,428
TRAVEL OVERSEAS	61,850	59,980	1,870	3.0%	155,000	141,713
TRAVEL INCOME - UK	- 3,333	-	3,333	100.0%	8,000	- 1,690
TRAVEL INCOME - OVERSEAS	- 7,083	- 13,782	6,699	-94.6%	17,000	- 21,055
TOTAL TRAVEL	275,567	263,979	11,588	4.2%	713,500	597,017

MANAGEMENT REPORT

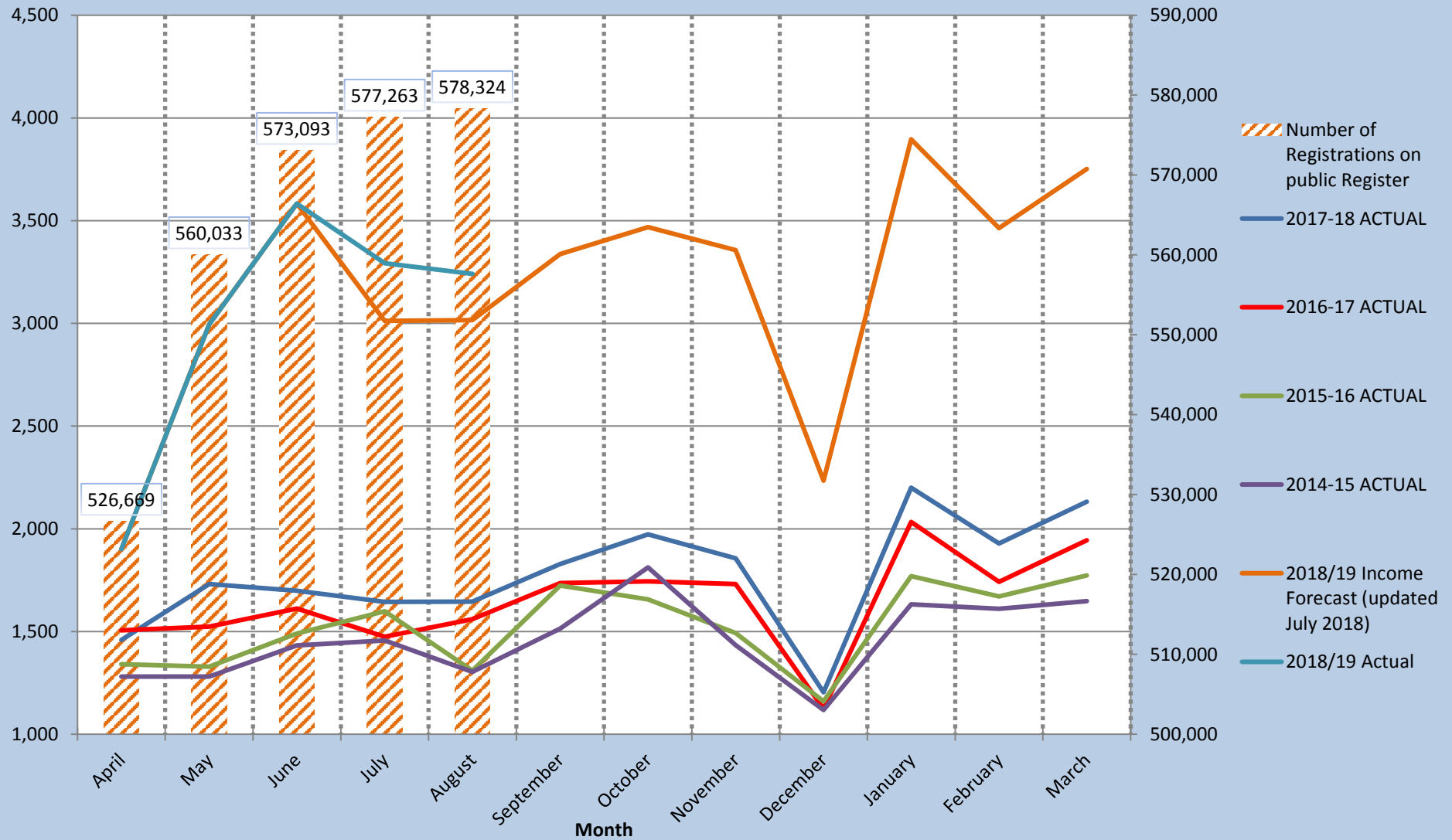
For the Five Months Ending 31 August 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
LEGAL	582,500	592,986 -	10,486	-1.8%	968,000	665,844
LEGAL COSTS RECOVERED	- 10,417 -	2,857 -	7,560	72.6% -	25,000 -	101,305
LIBRARY & SUBSCRIPTIONS	30,733	31,385 -	652	-2.1%	73,040	64,844
PROFESSIONAL MEMBERSHIPS	3,550	3,424	126	3.5%	15,250	15,174
RESEARCH	25,000	28,351 -	3,351	-13.4%	529,928	17,640
RESEARCH GRANTS FUND	250,000	252,302 -	2,302	-0.9%	250,000	65,581
NIS DIRECTIVE	-	-	-	0.0%	10,000	-
PROFESSIONAL SERVICES	497,083	483,039	14,045	2.8%	750,000	368,413
OTHER	500	-	500	100.0%	2,000	-
STAFF RECOGNITION	12,000 -	5,337	17,337	144.5%	12,000	11,634
TOTAL LEGAL, PROFESSIONAL & OTHER	1,390,950	1,383,293	7,657	0.6%	2,585,218	1,107,825
TOTAL COSTS	15,813,358	15,428,570	384,788	2.4%	40,655,049	26,805,640
CAPITAL SPEND	-	-	-	0.0%	650,000	747,322
OPERATING SURPLUS	342,766	1,233,532 -	890,766	-259.9%	1,400,000 -	2,127,700
GIA PROGRAMME 1819 ADVANCE	- 420,000 -	420,000	-	0.0% -	1,400,000	1,400,000
SURPLUS	- 77,234	813,532 -	890,766	1153.3%	-	- 727,700

Fee Income 2018/19

Fee income (£000)

Registration



INFORMATION COMMISSIONERS OFFICE

For the Twelve Months Ending 31 March 2019

	Actual Apr-18 £ (000)	Actual May-18 £ (000)	Actual Jun-18 £ (000)	Actual Jul-18 £ (000)	Actual Aug-18 £ (000)	Forecast Sep-18 £ (000)	Forecast Oct-18 £ (000)	Forecast Nov-18 £ (000)	Forecast Dec-18 £ (000)	Forecast Jan-19 £ (000)	Forecast Feb-19 £ (000)	Forecast Mar-19 £ (000)
Cash flows from operating activities												
Net Expenditure												
DP FEE INCOME	-1,901	-2,995	-3,583	-3,293	-3,241	-3,265	-3,396	-3,284	-2,162	-3,824	-3,391	-3,679
IPA INCOME	0	0	-83	0	0	-100	0	0	-100	0	0	-100
TPS MANAGEMENT INCOME	0	0	0	0	-4	-1	-1	-1	-1	-1	-1	-1
OFFICE COSTS	133	148	183	139	195	211	210	210	211	210	210	850
STAFF COSTS	1,752	1,849	1,926	2,091	2,763	2,415	2,418	2,415	2,415	2,418	2,415	2,392
TRAINING AND RECRUITMENT	49	188	82	128	145	101	101	88	64	101	101	116
IT COSTS	224	223	254	176	194	264	269	274	279	284	289	1,070
PROJECT SPEND	103	76	175	129	60	171	171	171	171	171	171	-369
COMMUNICATIONS	169	30	56	38	45	52	47	47	107	47	47	106
FINANCIAL COSTS	21	3	3	13	22	9	9	9	9	9	9	9
TRAVEL	50	63	76	56	20	57	57	57	57	57	57	109
LEGAL, PROFESSIONAL & OTHER	364	351	159	323	186	94	102	94	95	95	94	625
Net expenditure total	962	-66	-752	-200	385	8	-13	81	1,144	-433	1	1,128
Decrease in trade and other receivables	226	525	-486	450	46	1,048	-1,341	43	21	-2,524	1,295	-709
Increase in trade payables	-43	-758	-272	743	-168	-1,479	468	-378	-45	3,674	-1,936	101
Use of provisions	0	0	0	0	0	0	0	0	0	0	0	0
Net cash outflow from operating activities	1,145	-299	-1,510	994	263	-422	-886	-254	1,120	717	-639	520
Cash flows from investing activities												
Capital Spend	0	0	0	0	0	0	0	0	0	0	0	650
Profit/Loss on Disposal of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0
Net cash outflow from investing activities	0	0	0	0	0	0	0	0	0	0	0	650
Cash flows from financing activities												
FOI GRANT IN AID	-313	-313	-313	-313	-313	-313	-313	-313	-359	-313	-313	-313
NIS GRANT IN AID	0	0	0	0	0	0	0	0	0	0	0	-500
Grant in Aid Programme	140	0	0	140	140	140	140	140	140	140	140	140
Net cash flows from financing activities	-173	-313	-313	-173	-173	-173	-173	-173	-219	-173	-173	-673
Net increase / (decrease) in cash and cash equivalents in the year												
Net increase/(decrease) in cash	973	-611	-1,822	821	91	-595	-1,058	-426	902	545	-812	497
Cash & equivalents- start of period	2,923	1,950	2,561	4,383	3,562	3,471	4,066	5,124	5,551	4,649	4,104	4,916
Cash & equivalents- end of period	1,950	2,561	4,383	3,562	3,471	4,066	5,124	5,551	4,649	4,104	4,916	4,419